

# Contributing To The Public Good

An Interview with Dr. James S.C. Chao, Founder and Chairman, Foremost Group

**EDITORS' NOTE** Dr. James S.C. Chao is a much respected leader in the shipping industry and in the world of philanthropy. The company he founded, Foremost Group, celebrates its 60th anniversary this year and is one of the most environmentally friendly, green fleets in the world. Dr. Chao grew up in an educated family in a small farming village of eight families outside Shanghai. Now an American citizen, he left China at the height of the Civil War to Taiwan. There, he advanced rapidly through the ranks to become one of the youngest ocean-going captains at the age of 29. He took the four-day national Master Mariner Examination and scored the highest grade ever recorded. This accomplishment provided the opportunity to further his education in the United States. After earning his MBA in Management from St. John's University in New York City, Dr. Chao founded the company that later became Foremost Group. For his outstanding contributions to the maritime industry, Dr. Chao was inducted into the International Maritime Hall of Fame at the United Nations. Remembering his own difficulties accessing education, Dr. Chao and his late wife, Mrs. Ruth Mulan Chu Chao, have been dedicated benefactors to championing education in their philanthropy. Scholarships from their foundations have benefited thousands of students. To commemorate Mrs. Chao's legacy of faith, family, and philanthropy, generous gifts have been made toward the construction of many institutions including the Ruth Mulan Chu Chao Center at Harvard University, the first building named after an Asian American and the first building named after a woman in Harvard's history. Dr. Chao is the subject of two recent best-selling biographies entitled: *Fearless Against The Wind*, a complement to the best-selling biography of his late wife, Mrs. Ruth Mulan Chu Chao, *Calm Amidst The Storms*, and *Riding The Waves: Shipping Magnate Dr. James S. C. Chao & Mrs. Ruth Mulan Chu Chao's Philosophy Of Life And Legacy*. The recipient of innumerable honors and awards, Dr. Chao was bestowed the Ellis Island Medal of Honor as well as the Horatio Alger Award of Distinguished Americans at the United States Supreme Court. The U.S. Department of Homeland Security recognized Dr. Chao as an Outstanding American



Dr. James S.C. Chao

by Choice. The Museum of Chinese in America honored him with its Inaugural Outstanding Lifetime Achievement Award in its 130-year history. He was also presented the Distinguished Lifetime Achievement Award by the Chinese American Academic and Professional Society. Dr. Chao and his charitable foundations were honored with the International Leadership Foundation's inaugural Organizational Award and American Legion Post 1291 presented their Outstanding Service Award. The U.S.-China Education Trust awarded Dr. Chao with its Leadership and Achievement Award in recognition of an inspirational leader who made a difference for his community, country, and the world. St. John's University, Niagara University, Nyack University, Fu Jen Catholic University, National Chiao Tung University, National Taiwan Ocean University, and Massachusetts Maritime Academy bestowed Honorary Doctorate Degrees on Dr. Chao. In recognition of his outstanding leadership in the maritime community, the Seamen's Church Institute conferred upon Dr. Chao its highest honor, the Silver Bell Award. The Chinese Institute of Engineers, USA presented its Centennial Medal to Dr. Chao for his leadership in adopting energy efficient and eco-friendly ship design and technology. The Organization of Chinese Americans awarded Dr. Chao the Dynamic Achiever Award. Columbia University awarded Dr. Chao its inaugural EPIC Achievement Award. SUNY Maritime College awarded Dr. Chao its Admiral's Award for his inspiring leadership. Lloyd's List presented the

Lifetime Achievement Award to Dr. Chao. For the outstanding mentorship and inspiration he has given to others, International Leadership Foundation and New York Young Entrepreneurs Roundtable awarded Dr. Chao the Distinguished Mentor Award.

**COMPANY BRIEF** Foremost Group (foremostgroupusa.com) is an American shipping company with offices in the United States and Asia. Founded in New York in 1964 by Dr. James S. C. Chao and his late wife, Mrs. Ruth Mulan Chu Chao, the company today is a global leader in the dry bulk shipping industry and has earned a worldwide reputation for its commitment to exceptional service and performance while always holding itself to the highest ethical standards. One of Foremost's greatest strengths, and an essential part of its Founder's strategic vision, was the commitment more than 40 years ago to pioneering green shipping techniques and incorporating advanced, environment-friendly designs into its fleet. That's why today, Foremost enjoys the competitive advantage of having one of the most eco-friendly dry bulk shipping fleets in the world. For more than 60 years, Foremost Group has maintained its core values – Honor, Integrity, and Performance – as the ingredients for success. It has earned its stellar reputation from partners, including charterers, banks, shipyards, and others, for its faithful devotion to Foremost Group's mission statement: "Our mission is to remain a premier provider of ocean transportation services and a model of excellence for our industry." Congratulations on the 60th anniversary of the founding of Foremost Group.

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## How do you define Foremost Group's mission and purpose?

My goal when I founded Foremost Group in 1964 with my late wife, Mrs. Ruth Mulan Chu Chao, was to provide outstanding service to help first-class charterers ship their cargoes safely, efficiently, and in an environmentally sensitive way, thus contributing to the public good. We aimed to be the foremost company in our field, hence the company's name, Foremost. From the beginning, we were determined to become a model of excellence for ocean transportation services, and to live up to our company's motto – honor, integrity, and performance – every single day. Those values are the core of everything we do. Today, Foremost has earned its place as a global leader in dry bulk shipping and a well-deserved reputation for its commitment to exceptional service and performance, while maintaining the highest ethical standards.

By doing our job to the best of our ability, we not only serve the shipping industry and our customers, but the common good, as well. That's more important than ever before, because while there is ground transportation and air transportation, ocean shipping still remains the most effective and affordable way to transport the huge volume of commodities that sustain the world's economies. It's very rewarding to work in a field that is so essential to improving the quality of life for people around the world.

## How do you describe Foremost Group's culture and how important has it been to maintain culture as the company has grown in size and scale?

Foremost's unique culture is an essential ingredient in the trust we engender with our stakeholders. Our culture is rooted in the principles upon which Foremost was founded: Honor, Integrity, and Performance. Those principles translate surprisingly well across the diverse, worldwide team that Foremost has



*Dr. James S.C. Chao greeted warmly by the U.S. Coast Guard Academy Superintendent and Captain of the U.S. C.G. EAGLE*



*Dr. James S.C. Chao with eldest daughter, Elaine Chao, who has served as U.S. Secretary of Labor and U.S. Secretary of Transportation*

put together. As everyone knows, the customs and cultures of countries can vary significantly. That's why we focus on the company's three major objectives and the big picture. This works out quite well because everyone is focusing on the same goals: to better serve ocean shipping, our customers, and global economies. But we also keep an eye on implementation. We strive for operational excellence through attention to

details, innovation, and being proactive. We are resourceful problem-solvers. But, most important, we aim to prevent problems from occurring in the first place.

## What have been the keys to Foremost Group's strength and leadership in the industry?

It all starts with our commitment to service and the principles on which Foremost was



*Dr. James S.C. Chao at the 60th anniversary celebration of the founding of Foremost Group at Harvard Club, New York City*

founded. We have established long-term relationships with most of the largest, most highly regarded companies in the world because we continue to provide exceptional service to the biggest dry-bulk charterers. From the beginning, we aspired to be the best shipping company in the world, not the biggest. We ensure the highest-quality service by exclusively managing ships that have been built to the charterers' and our high standards and specifications. To maintain rigorous quality control, the company does not own second-hand or manage third-party vessels. Our word is our bond, and we never waver in our commitment to our blue-chip charterers to enhance their operations and reputations.

Our strength also comes from working together as a family. After all, shipping is really a people business, and at Foremost, we are a big family. We are focused not only on growing earnings, but cultivating the careers and loyalty of our team members. We strive to build an organization in which our team members cooperate smoothly and easily with each other, so they can increase their skills and performance and stay with us for the long term.

**Foremost Group has a long commitment to having environmentally friendly designs and technology in its fleet. Will you discuss this commitment and Foremost Group's history of supporting the environment and sustainability?**

As many in the industry know, I studied at a well-known university, majored in navigation, worked as a cadet and later as acting master at the age of 29. Then I took the National Marine

Master Examination, which I passed with a #1 ranking, breaking all records at the time. This gave me the opportunity to study in the United States. So, my life has been devoted to ocean shipping, an industry I love.

Running a shipping company is much more than a job to me. It's my mission in life. Today, I think the right way to ensure that the shipping industry thrives in the long term is to go with decarbonization devices or sustainable energy as much as possible. I encourage my colleagues to focus on sustainability, in both ship building and ship management. That's why Foremost builds its own ships. For example, we recently took delivery of two new capsized vessels built in Japan which are among the most eco-friendly in the world.

Our company started to explore green shipping and environmental-friendly shipping techniques more than 40 years ago, beginning in the 1980s, well before it was a popular concept. Today, Foremost has one of the most advanced, eco-friendly fleets in the world. That's a result of our early and long-term commitment to protecting the ocean environment and reducing carbon emissions. We approached these issues with unique thinking and advanced planning. Now, our featured technologies – such as various energy saving devices, bio-fuel, eco-friendly paints, etc. – have made us not only one of the greenest ship owners in the world, but also gives us a competitive advantage with charterers who want to improve their environment and sustainability performance. Foremost, as a shipping

industry leader, continually strives to make a meaningful contribution to a better and more sustainable future. I am particularly grateful to my colleagues, and for the trust that charterers, shipyards, and even banks have placed in us in this respect.

**You devote your time and resources to many philanthropic causes. What has made this work so important to you and how do you decide where to focus your philanthropic efforts?**

The inspiration to contribute to society comes from the example set by my parents. I was born in a small village in what is now the suburbs of Shanghai. During my youth, my village was a very long distance away from Shanghai by walking. My father, Mr. Yi-Ren Chao, was the principal of the only primary school for nearby villages, while my mother, Mrs. Yu-Chin Hsu Chao, was a hard-working farmer and housewife. They emphasized education and cultivated in me a love of learning. They imbued me with the knowledge and proper study habits to successfully take the exam so I could be admitted to a well-known university. Education changed my life and was the foundation upon which I built my career. My parents were not wealthy; they were frugal, but generous. They always helped our neighbors and relatives when they were in difficulties.

So, when Ruth and I achieved a little success of our own, we wanted to not only honor them, but to follow their example by sharing what we have with those who are in need. Our family chose to focus our philanthropic projects on



*Dr. James S.C. Chao greeting the hundreds of guests who came from all over the world to celebrate the 60th anniversary of Foremost Group*

education because we believe that education has unlimited power to change a person's life, like it changed mine, and we believe that it is the right way to give back to society. We also want to give others the hope that with education and hard work, they too can change their lives and make a positive contribution to society. For example, the Dean of the Harvard Business School asked for our help, and we contributed by funding a new, multi-purpose building – the Ruth Mulan Chu Chao Center – that provides a dynamic environment for over 10,000 executives, students, scholars, and professionals from all over the world annually to come together, study, exchange best practices and learn from one another. It's the first building named after a woman and an Asian American on campus. I have so many daughters who attended Harvard Business School, and this was my way of expressing my appreciation for the education they received. In addition, more than 5,000 students have already benefited from the Mulan Education Foundation, which provides scholarships to help students who could not otherwise afford an education to build a better future for themselves and their families.

**What do you see as the keys to effective leadership and how do you approach your management style?**

The keys to effective leadership are to be practical, to progress steadily – step by step – and to learn continuously. Always keep learning. In Foremost, we are like a big family who learn continuously from each other, from our stakeholders, and the outside world. This

concept is also stressed in traditional Chinese philosophy. As Confucius said, “When three are walking together, I am sure to find teachers among them. I will select their good qualities and follow them, select their bad qualities and avoid them.”

So, at Foremost, we encourage our team to keep learning, to keep cooperating, to keep growing, and to show their appreciation for one another. My personal thinking revolves around the concept of working for a good cause, which contributes so much to living and enjoying life to its fullest. Simply put, I enjoy my life fully, regardless of whether it is a good day or a bad day, easy or difficult. I believe profoundly that every difficulty is an opportunity to improve and to grow. Without difficulties, there are no incentives to do better. As a result, I always look at problems as opportunities. Turning difficulty into success is another core principle of our company.

Our company also emphasizes the long-term point of view, as well as relationships that are mutually beneficial. Sixty years after the founding of our company, Foremost still maintains long-term relationships with the same top tier bankers, charterers and suppliers, classification societies, and other institutions, all of whom came from around the world to celebrate our 60th anniversary at a special gathering in New York this past May. Our management team is strong. We believe the company's future is bright and look confidently ahead to continuing to serve the industry and the public good.

**What factors have contributed to your ability to work for so long, and to keep pace with the latest developments in shipping and the worldwide economy?**

I practice a very simple and healthy lifestyle, which keeps me in good shape both mentally and physically. I eat lots of fresh vegetables, fish, and fruits. I walk a minimum of one hour daily. I used to swim one hour each day, but COVID shut down the public swimming pool I frequented. I am also very fortunate and grateful that I sleep very well.

In addition to keeping up with the shipping industry, I do a lot of other reading – especially biographies of well-known leaders in all industries, as well as inspirational and informative books that offer insights into how to live well. I very much enjoy going into the office to see my colleagues, and to share with them ideas on new and innovative ways to keep Foremost a leader in shipping. It gives me such pleasure and satisfaction that I can never imagine retiring. I like to think that I am living another ancient Confucian wisdom: a benevolent person loves people, and knowledge brings happiness.

I am also very blessed by the Lord in so many ways, especially with having wonderful daughters, including my eldest, Elaine L. Chao, who as you may know served our country as the 24th U.S. Secretary of Labor and the 18th U.S. Secretary of Transportation. She has always been a filial daughter and comes back to visit me and helps the family when needed, when she is out of government. So, I am very optimistic and grateful. ●